## Combined Utility System Fund For the period ended September 30, 2004 (amounts expressed in thousands)

Preliminary   Adopted   Budget   Properting   Propection   Projection   Projectio		Unaudited		FY2005								
Operating Revenues         \$ 265,722         \$ 311,068         \$ 81,383         \$ 311,068         \$ 311,068           Sewer Sales         257,224         299,253         299,253         74,802         299,253         299,253           Penalties         4,150         3,741         3,741         1,225         3,741         3,741           Other         4,562         4,360         4,360         1,161         4,360         4,360           Total Operating Revenues         531,208         618,422         618,422         158,571         618,422         618,422           Operating Expenses           Personnel         124,193         122,241         122,241         28,693         122,387         122,387           Supplies         23,141         26,007         26,007         6,329         25,922         25,922           Electricity and Gas         35,200         47,169         47,169         10,164         47,108         47,108           Contracts & Other Payments         70,149         92,013         39,703         99,2013         39,092           Total Operating Income (Loss)         278,525         330,992         330,992         103,682         237,032         287,430				Adopted	Cur	rent			Controller's		F&A	
Sewer Sales   \$265,272   \$311,068   \$311,068   \$311,068   \$311,068   \$311,068   \$320,000   \$299,253   \$299,2		_FY2004		Budget	Buc	lget		YTD		Projection		Projection
Sewer Sales	Operating Revenues						_		-			
Sewer Sales	Water Sales	\$ 265,272	\$	311,068	\$ 311,	068	\$	81,383	\$	311.068	\$	311.068
Penallies	Sewer Sales	257,224		299,253								
Cher Total Operating Revenues         4,562 531,208         4,360 618,422         1,161 1 618,422         4,360 18,422         6	Penalties	4,150		3,741	,					•		
Total Operating Revenues         531,208         618,422         618,422         158,571         618,422         618,422           Operating Expenses         Personnel         124,193         122,241         28,693         122,387         122,387           Supplies         23,141         26,007         6,329         25,922         25,922         25,922         25,922         25,922         25,922         25,922         25,922         25,922         25,922         25,922         25,922         25,922         25,922         25,922         25,922         25,922         25,922         25,922         25,923         26,007         6,329         10,164         47,108         287,30         287,430         282,743         287,430         282,743         287,430         28,28         287,43	Other			•				•		•		
Personnel	Total Operating Revenues						-		_			
Personnel	Operating Expenses											
Supplies   23,141   26,007   26,007   6,329   25,922   25,922   25,922   Electricity and Gas   35,200   47,169   47,169   10,164   47,108   47,10		124 193		122 241	122	241		28 693		122 387		122 387
Electricity and Gas		•										
Contracts & Other Payments         70,149         92,013         92,013         9,703         92,013         92,013           Total Operating Expenses         252,683         287,430         287,430         54,889         287,430         287,430           Operating Income (Loss)         278,525         330,992         330,992         103,682         330,992         330,992           Nonoperating Revenues (Expenses)         13,461         5,161         5,161         1,921         5,161         5,161           Sale of Property, Mains and Scrap         596         508         508         297         508         508           Other         70,832         7,863         7,863         27         508         508           Impact Fees         0         14,000         14,000         7,056         14,000         14,000           HAWC         (2,237)         (4,608)         (4,608)         (1,677)         (4,608)         (4,608)           CWA & TRA Contracts (P & I)         (31,454)         (32,317)         (32,317)         (11,919)         (32,317)         (32,317)           Total Nonoperating Rev (Exp)         51,198         (9,393)         (9,393)         32,843         (9,393)         (9,393)         321,599         321	• •			•	•					,		
Total Operating Expenses         252,683         287,430         287,430         54,889         287,430         287,430           Operating Income (Loss)         278,525         330,992         330,992         103,682         330,992         330,992           Nonoperating Revenues (Expenses)         Interest Income         13,461         5,161         5,161         1,921         5,161         5,161           Sale of Property, Mains and Scrap         596         508         508         297         508         508           Other         70,832         7,863         7,863         479         7,863         7,863           Impact Fees         0         14,000         14,000         7,056         14,000         14,000           HAWC         (2,237)         (4,608)         (4,608)         (1,677)         (4,608)         (4,608)           CWA & TRA Contracts (P & I)         (31,454)         (32,317)         (32,317)         (11,919)         (32,317)         (32,317)           Total Nonoperating Rev (Exp)         51,198         (9,393)         99,393         321,599         321,599         321,599         321,599         321,599         321,599         321,599         321,599         321,599         321,599         321,599												
Operating Income (Loss)         278,525         330,992         330,992         103,682         330,992         330,992           Nonoperating Revenues (Expenses)         Interest Income         13,461         5,161         5,161         1,921         5,161         5,161           Sale of Property, Mains and Scrap         596         508         508         297         508         508           Other         70,832         7,863         7,863         479         7,863         7,863           Impact Fees         0         14,000         14,000         7,056         14,000         14,000           HAWC         (2,237)         (4,608)         (4,608)         (1,677)         (4,608)         (4,608)           CWA & TRA Contracts (P & I)         (31,454)         (32,317)         (32,317)         (11,919)         (32,317)         (32,317)           Total Nonoperating Rev (Exp)         51,198         (9,393)         (9,393)         (3,843)         (9,393)         (9,393)           Income (Loss) Before Operating Transfers         329,723         321,599         321,599         99,839         321,599         321,599           Operating Transfers         154,238         179,902         17,902         17,902         179,902												
Nonoperating Revenues (Expenses)   Interest Income   13,461   5,161   5,161   1,921   5,161	Total Operating Expenses			207,430	_207,	430	-	54,889		287,430		287,430
Interest Income   13,461   5,161   5,161   1,921   5,161   5,161   Sale of Property, Mains and Scrap   596   508   508   297   508	Operating Income (Loss)	278,525		330,992	330,	992		103,682	_	330,992		330,992
Sale of Property, Mains and Scrap         596         508         508         297         508         508           Other         70,832         7,863         7,863         479         7,863         7,863           Impact Fees         0         14,000         14,000         7,056         14,000         14,000           HAWC         (2,237)         (4,608)         (4,608)         (1,677)         (4,608)         (4,608)           CWA & TRA Contracts (P & I)         (31,454)         (32,317)         (32,317)         (11,919)         (32,317)         (32,317)           Total Nonoperating Rev (Exp)         51,198         (9,393)         (9,393)         (3,843)         (9,393)         (9,393)           Income (Loss) Before Operating Transfers         329,723         321,599         321,599         99,839         321,599         321,599           Operating Transfers           Debt Service Principal         67,492         12,675         12,675         3,507         12,675         12,675           Debt Service Interest         154,238         179,902         179,902         17,707         179,902         179,902           Discretionary Debt         29,572         28,934         28,934         15,538         28	Nonoperating Revenues (Expenses)											
Sale of Property, Mains and Scrap         596         508         508         297         508         508           Other         70,832         7,863         7,863         479         7,863         7,863           Impact Fees         0         14,000         14,000         7,056         14,000         14,000           HAWC         (2,237)         (4,608)         (4,608)         (1,677)         (4,608)         (4,608)           CWA & TRA Contracts (P & I)         (31,454)         (32,317)         (32,317)         (11,919)         (32,317)         (32,317)           Total Nonoperating Rev (Exp)         51,198         (9,393)         (9,393)         (3,843)         (9,393)         (9,393)           Income (Loss) Before Operating Transfers         329,723         321,599         321,599         99,839         321,599         321,599           Operating Transfers         50,492         12,675         12,675         3,507         12,675         12,675           Debt Service Principal         67,492         12,675         12,675         3,507         12,675         12,675           Debt Service Interest         154,238         179,902         177,902         177,902         179,902           Discretionary Debt	Interest Income	13,461		5,161	5,	161		1,921		5,161		5.161
Other Impact Fees         70,832         7,863         7,863         479         7,863         7,863           Impact Fees         0         14,000         14,000         7,056         14,000         14,000           HAWC         (2,237)         (4,608)         (4,608)         (1,677)         (4,608)         (4,608)           CWA & TRA Contracts (P & I)         (31,454)         (32,317)         (32,317)         (11,919)         (32,317)         (32,317)           Total Nonoperating Rev (Exp)         51,198         (9,393)         (9,393)         (3,843)         (9,393)         (9,393)           Income (Loss) Before Operating Transfers         329,723         321,599         321,599         99,839         321,599         321,599           Operating Transfers           Debt Service Principal         67,492         12,675         12,675         3,507         12,675         12,675           Debt Service Interest         154,238         179,902         17,707         179,902         17,902         17,902         17,902         17,902         17,902         17,902         17,902         17,902         17,902         17,902         17,902         17,902         17,902         17,902         17,902         17,902         17,	Sale of Property, Mains and Scrap	596		508				•				•
Impact Fees	Other	70,832		7.863	7.	863		479		7.863		7.863
HAWC         (2,237)         (4,608)         (4,608)         (1,677)         (4,608)         (4,608)           CWA & TRA Contracts (P & I)         (31,454)         (32,317)         (32,317)         (11,919)         (32,317)         (32,317)           Total Nonoperating Rev (Exp)         51,198         (9,393)         (9,393)         (3,843)         (9,393)         (9,393)           Income (Loss) Before Operating Transfers         329,723         321,599         321,599         99,839         321,599         321,599           Operating Transfers           Debt Service Principal         67,492         12,675         12,675         3,507         12,675         12,675           Debt Service Interest         154,238         179,902         17,707	Impact Fees	•		14,000				7.056				,
CWA & TRA Contracts (P & I)         (31,454)         (32,317)         (32,317)         (11,919)         (32,317)         (32,317)           Total Nonoperating Rev (Exp)         51,198         (9,393)         (9,393)         (3,843)         (9,393)         (9,393)           Income (Loss) Before Operating Transfers         329,723         321,599         321,599         99,839         321,599         321,599           Operating Transfers           Debt Service Principal         67,492         12,675         12,675         3,507         12,675         12,675           Debt Service Interest         154,238         179,902         179,902         17,707         179,902         179,902           Discretionary Debt         29,572         28,934         28,934         15,538         28,934         28,934           Other Contractual Obligations         0         474         474         0         474         474           Equipment Acquisition         8,145         17,862         17,862         0         17,862         17,862           CUS General Purpose Fund         0         49,752         49,752         55,587         49,752         49,752           Transfer to General Fund         0         2,000         0	•	(2.237)								•		
Total Nonoperating Rev (Exp)         51,198         (9,393)         (9,393)         (3,843)         (9,393)         (9,393)           Income (Loss) Before Operating Transfers         329,723         321,599         321,599         99,839         321,599         321,599           Operating Transfers           Debt Service Principal         67,492         12,675         12,675         3,507         12,675         12,675           Debt Service Interest         154,238         179,902         177,007         179,902         179,902           Discretionary Debt         29,572         28,934         28,934         15,538         28,934         28,934           Other Contractual Obligations         0         474         474         0         474         474           Equipment Acquisition         8,145         17,862         17,862         0         17,862         17,862           CUS General Purpose Fund         0         49,752         49,752         55,587         49,752         49,752           Transfer to General Fund         0         2,000         2,000         0         0         0         0           Transfer to Combined Utility System         60,176         0         0         0         0				, , ,	<b>,</b> ,	,						
Income (Loss) Before Operating Transfers   329,723   321,599   321,599   99,839   321,599   321,599   321,599	• •						-					
Operating Transfers           Debt Service Principal         67,492         12,675         12,675         3,507         12,675         12,675           Debt Service Interest         154,238         179,902         179,902         17,707         179,902         179,902           Discretionary Debt         29,572         28,934         28,934         15,538         28,934         28,934           Other Contractual Obligations         0         474         474         0         474         474           Equipment Acquisition         8,145         17,862         17,862         0         17,862         17,862           CUS General Purpose Fund         0         49,752         49,752         55,587         49,752         49,752           Transfer to General Fund         0         2,000         2,000         0         2,000         2,000           Transfer to Combined Utility System         60,176         0         0         0         0         0         0           Total Operating Transfers         329,723         321,599         321,599         99,839         321,599         321,599	rotar tonopolating from (EAP)			(0,000)		0007		(0,040)	_	(0,000)		(3,333)
Debt Service Principal         67,492         12,675         12,675         3,507         12,675         12,675           Debt Service Interest         154,238         179,902         179,902         17,707         179,902         179,902           Discretionary Debt         29,572         28,934         28,934         15,538         28,934         28,934           Other Contractual Obligations         0         474         474         0         474         474           Equipment Acquisition         8,145         17,862         17,862         0         17,862         17,862           CUS General Purpose Fund         0         49,752         49,752         55,587         49,752         49,752           Transfer to General Fund         0         2,000         2,000         0         2,000         2,000           Transfer to Combined Utility System         60,176         0         0         0         0         0         0           Total Operating Transfers         329,723         321,599         321,599         99,839         321,599         321,599           Net Current Activity         42,44         474         474         474         0         47,52         49,752         49,752         55,58	Income (Loss) Before Operating Transfers	329,723		321,599	321,	599	_	99,839		321,599		321,599
Debt Service Interest         154,238         179,902         179,902         17,707         179,902         179,902           Discretionary Debt         29,572         28,934         28,934         15,538         28,934         28,934           Other Contractual Obligations         0         474         474         0         474         474           Equipment Acquisition         8,145         17,862         17,862         0         17,862         17,862           CUS General Purpose Fund         0         49,752         49,752         55,587         49,752         49,752           Transfer to General Fund         0         2,000         2,000         0         2,000         2,000           Transfer to Combined Utility System         60,176         0         0         0         0         0         0           Total Operating Transfers         329,723         321,599         321,599         99,839         321,599         321,599           Net Current Activity         10,100         30,000         30,000         7,500         30,000         30,1599	Operating Transfers											
Debt Service Interest         154,238         179,902         179,902         17,707         179,902         179,902           Discretionary Debt         29,572         28,934         28,934         15,538         28,934         28,934           Other Contractual Obligations         0         474         474         0         474         474           Equipment Acquisition         8,145         17,862         17,862         0         17,862         17,862           CUS General Purpose Fund         0         49,752         49,752         55,587         49,752         49,752           Transfer to General Fund         0         2,000         2,000         0         2,000         2,000           Transfer to Combined Utility System         60,176         0         0         0         0         0         0           Total Operating Transfers         329,723         321,599         321,599         99,839         321,599         321,599           Net Current Activity         10,100         30,000         30,000         7,500         30,000         30,1599	Debt Service Principal	67,492		12,675	12.	675		3,507		12.675		12.675
Discretionary Debt         29,572         28,934         28,934         15,538         28,934         28,934           Other Contractual Obligations         0         474         474         0         474         474           Equipment Acquisition         8,145         17,862         17,862         0         17,862         17,862           CUS General Purpose Fund         0         49,752         49,752         55,587         49,752         49,752           Transfer to General Fund         0         2,000         2,000         0         2,000         2,000           Transfer to Combined Utility System         60,176         0         0         0         0         0           Transfer to Stormwater         10,100         30,000         30,000         7,500         30,000         30,000           Total Operating Transfers         329,723         321,599         321,599         99,839         321,599         321,599	Debt Service Interest	154,238		179,902								
Other Contractual Obligations         0         474         474         0         474         474           Equipment Acquisition         8,145         17,862         17,862         0         17,862         17,862           CUS General Purpose Fund         0         49,752         49,752         55,587         49,752         49,752           Transfer to General Fund         0         2,000         2,000         0         2,000         2,000           Transfer to Combined Utility System         60,176         0         0         0         0         0           Transfer to Stormwater         10,100         30,000         30,000         7,500         30,000         30,000           Total Operating Transfers         329,723         321,599         321,599         99,839         321,599         321,599           Net Current Activity	Discretionary Debt											
Equipment Acquisition       8,145       17,862       17,862       0       17,862       17,862         CUS General Purpose Fund       0       49,752       49,752       55,587       49,752       49,752         Transfer to General Fund       0       2,000       2,000       0       2,000       2,000         Transfer to Combined Utility System       60,176       0       0       0       0       0         Transfer to Stormwater       10,100       30,000       30,000       7,500       30,000       30,000         Total Operating Transfers       329,723       321,599       321,599       99,839       321,599       321,599		•		•				•		•		,
CUS General Purpose Fund         0         49,752         49,752         55,587         49,752         49,752           Transfer to General Fund         0         2,000         2,000         0         2,000         2,000           Transfer to Combined Utility System         60,176         0         0         0         0         0           Transfer to Stormwater         10,100         30,000         30,000         7,500         30,000         30,000           Total Operating Transfers         329,723         321,599         321,599         99,839         321,599         321,599           Net Current Activity		8.145										
Transfer to General Fund         0         2,000         2,000         0         2,000         2,000         2,000         2,000         2,000         2,000         2,000         2,000         2,000         2,000         2,000         2,000         2,000         0<												
Transfer to Combined Utility System         60,176         0         0         0         0         0           Transfer to Stormwater         10,100         30,000         30,000         7,500         30,000         30,000           Total Operating Transfers         329,723         321,599         321,599         99,839         321,599         321,599           Net Current Activity										•		,
Transfer to Stormwater         10,100         30,000         30,000         7,500         30,000         30,000           Total Operating Transfers         329,723         321,599         321,599         99,839         321,599         321,599           Net Current Activity		_		•						•		
Total Operating Transfers         329,723         321,599         321,599         99,839         321,599         321,599           Net Current Activity         329,723         321,599 <td< td=""><td></td><td>•</td><td></td><td>_</td><td>30</td><td>_</td><td></td><td></td><td></td><td>_</td><td></td><td><del>-</del></td></td<>		•		_	30	_				_		<del>-</del>
,			•				_		_			
,	Net Current Activity						_					
		S0	\$	0_	\$	0	\$_	00	\$_	0	\$	0

## About the Fund:

The Combined Utility System Fund is an enterprise fund which accounts for operation of the City's water and wastewater facilities. The fund provides for the operation of the City's treated and untreated water, as well as, receive and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers.